

March 1, 2018

Barry Wood
Director Assessment Division
Department of Local Government Finance
Indiana Government Center North
100 North Senate Ave. N1058 (B)
Indianapolis, IN 46204

Dear Barry:

We have completed the 2018 ratio study for Clay County's annual adjustment. We reviewed and used every sale that was deemed valid for the two year period January 1, 2016 – December 31, 2017. The market in Clay County is static, but stable; of the sales that are occurring, outside of family and forced sales, they are not increasing or decreasing in any significant manner. We followed approved methods of reviewing parcels sold over the last two years to test for the necessity of time adjustments to the 2016 sales used. Given the limited number of occurrences of the same parcel selling in consecutive years and the knowledge of the static nature of property sales in Clay County, we determined that no time adjustment was necessary.

Residential Vacant and Improved

Given the limited number of vacant sales, we resorted to utilizing the land valuation to building valuation ratio methodology to verify the accuracy of the land values. The land values for improved residential parcels are consistently within 13%-19% with the median at 15%. No factor was applied to the land values. One neighborhood has been eliminated, parcels added to surrounding rural neighborhood and factors were applied when necessary to bring the neighborhoods within IAAO standards. Foreclosed sales have been reviewed by neighborhood to determine if that was the normal market for the area.

For improved residential parcels, we concluded the following: Brazil Twp had an adequate number of sales and could stand on its own; Van Buren Twp had an adequate number of sales and could stand on its own; Jackson Twp, Cass Twp, Sugar Ridge Twp and Washington Twp were combined based upon location and similarity of economic characteristics; Harrison Twp and Lewis Twp were combined based upon location and similarity of economic factors; Perry Twp and Posey Twp were combined based upon location and similarity of economic factors.

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Commercial and Industrial Vacant and Improved

The majority of Commercial and Industrial parcels are in one township and a very low level of sale activity is taking place. Because of the lack of sales for Commercial and Industrial properties, we combined all the sales for trending and to perform a countywide ratio study. The extrapolation method and the land value to building value ratio were used to verify that the land was reasonable for the market. No adjustment was made to the land and no trending was performed on the improved Commercial and Industrial properties.

Large Percent Change Areas

In an effort to address questions that you may have regarding areas and classes of properties that increased or decreased greater than 10%, I am proactively including explanations with this narrative. Below are areas that met the criteria:

<u>TWP</u>	<u>Class</u>	<u>Prior Yr AV</u>	<u>Current Yr AV</u>	<u>Percent Change</u>
Brazil Twp	Ind Vacant	\$192,100	\$219,600	(14.32%)
11-01-31-300-044.000-002 - Reassessment change- residential parcel to commercial parcel; 11-01-31-300-081.000-002 - Reassessment change- associated parcel improvements sit on this parcel; 11-01-31-300-979.000-002 - Reassessment change- unusable right of way use to commercial use; 11-01-31-300-144.000-002 - Reassessment change- Changed from commercial to industrial neighborhood.				
Dick Johnson Twp	Com Imp	\$797,200	\$943,000	(-10.90%)
11-02-24-100-026.000-004 - Reassessment change – corrected listing errors to card improvements.				
Perry Twp	Com Imp	\$1,077,500	\$968,400	(-10.01%)
11-08-22-200-001.001-010 - Golf course closed – Removed 18 hole course pricing.				
Perry Twp	Res Vac	\$147,600	\$168,200	(14.00%)
11-08-17-300-004.001-010 - 2016 split- Land from Agricultural to Residential pricing due to new dwelling and barn – improvements not yet priced in system.				
Posey Twp	Com Vac	\$267,700	\$378,600	(14.14%)
11-03-25-400-002.000-011 - 2018 New construction- Land from Agricultural to Commercial pricing / new paving canopy for Speedway convenience market Semi trucks – improvements priced on primary parcel.				
VanBuren Twp	Res Vac	\$15,370,000	\$13,058,000	(-16.79%)
11-01-28-400-170.000-019 – Garage Removed; 11-01-32-100-111.000-016 – Dwelling Removed; 11-01-04-100-006.000-016 – Barn Removed; 11-01-32-100-111.000-018, 11-01-35-200-010.000-016 and 11-01-24-100-007.000-016 – Dwellings split to new parcels. These 6 parcels accounted for a \$244,000 reduction of Assessed value in the township.				

Summary

All residential neighborhoods were reviewed and trending factors were applied accordingly.

We have included an explanation of sales that were originally submitted as valid and later deemed invalid.

If you have any questions, please contact me.

Respectfully,

Jill Bennett, Level III
Clay County Assessor